



**GEORGIA BOARD FOR PHYSICIAN WORKFORCE**  
**THE EFFECT OF RISING MEDICAL LIABILITY PREMIUMS**  
**ON PHYSICIAN SUPPLY AND ACCESS TO MEDICAL CARE IN GEORGIA**

**UPDATE**

This fact sheet presents the results of a follow-up to a primary study entitled: “The Effect of the Medical Liability Insurance Crisis on Physician Supply and Access to Medical Care in Georgia” that was published by the Georgia Board for Physician Workforce (GBPWF) in January 2003. The purpose of the follow-up survey was to collect and report additional data on the continued impact and current trends related to rising premiums and the availability of medical malpractice insurance. Licensed physicians who responded to the initial study were resurveyed in October 2003. The GBPWF contacted 2,164 physicians for the purpose of this follow-up survey and a total of 1,233 responded (57%).

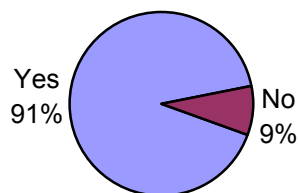
### **MEDICAL LIABILITY INSURANCE CRISIS**

Results from the survey suggest that a significant percentage (13.7%) of physicians stopped providing high-risk procedures during the last year as a result of the increase in malpractice insurance premiums. This follows a 17.8% reduction in 2002. The primary services impacted are obstetrical services, mammography, surgical care, and trauma. The impact to the citizens of Georgia in terms of reduced access to services has not been quantified by any single source, but it is reasonable to conclude access has been reduced. A smaller, but significant number of doctors plan to retire from the practice of medicine (3.7%) or leave the state (3.3%) within the next year in response to the crisis. With a growing physician shortage in Georgia, the reduction in any physician services or access to physicians has a potential negative impact on the health of Georgians.

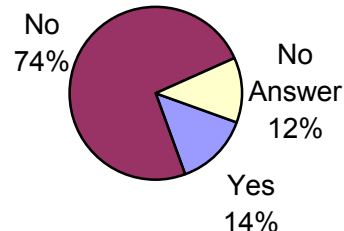
<b>Current Situation</b>	<b>Physician Response</b>
<ul style="list-style-type: none"><li>• Malpractice insurance <b>premiums</b> for Georgia physicians continue to increase at extreme rates. Respondents to the GBPWF follow-up survey reported increases of 25-50% on average in 2003. This is in addition to the 20% increase reported in 2002.</li><li>• The <b>specialties most affected</b> are OB/GYN, General Surgery, Radiology, Neurology, and Emergency Medicine.</li><li>• <b>Availability of insurance</b> is a growing concern due to the limited number of insurance companies writing liability policies for physicians in Georgia. MAG Mutual, the principle provider of coverage in Georgia, reported that of the 20 insurers in the state in 2001 (who had \$1 million or more in premiums), only three remain who accepted new physicians in 2003.</li><li>• The <b>size of malpractice awards</b> is steadily increasing. In 2002, the average U.S. medical malpractice jury award was about \$3.9 million compared to \$4.65 million in Georgia where there is no cap. Source: MAG Mutual Insurance Company</li></ul>	<ul style="list-style-type: none"><li>• <b>Stop high-risk procedures</b> – Nearly 14% of all physicians responding to the follow-up survey stopped performing high-risk procedures in 2003. The rate was highest among General Surgeons (27.5%), OB/GYN's (25%), Orthopedic Surgeons (22%), and Radiologists (19%). In 2002, 17.8% of the respondents had stopped providing high-risk services.</li><li>• <b>Retire early or leave clinical practice</b> – 7% of all physicians responding to the survey indicated they plan to leave clinical practice as a result of the malpractice insurance crisis in Georgia. An additional 4% of respondents indicated plans to retire. The rates were highest among: OB/GYN's (13% plan to leave clinical practice and 12% plan to retire); and General Surgeons (13% plan to leave clinical practice and 7% plan to retire).</li><li>• <b>Georgia physicians may move to states that have lower insurance costs</b> – 3.3% of physicians responding to the survey indicated they are considering or already have plans to move out-of-state. Nine percent of Anesthesiologists, 7% of Emergency Medicine physicians, 7% of General Surgeons, and nearly 6% of responding OB/GYN's fall into this category.</li></ul>

## PROFILE OF GEORGIA PHYSICIANS

Have Malpractice Insurance

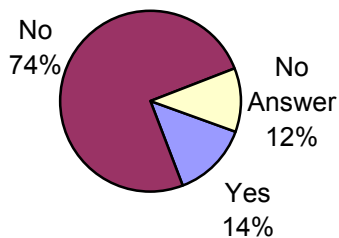


Had Difficulty Finding Malpractice Insurance During Last 12 Months

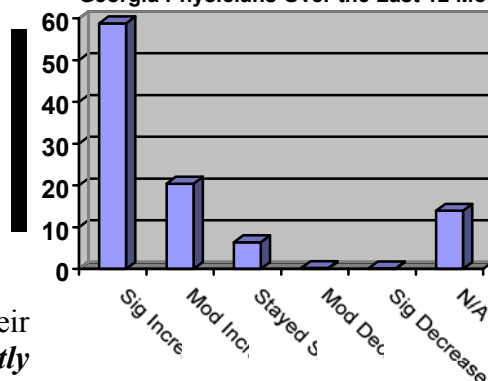


Physicians whose insurance carrier left the state had few options available. Only three carriers were writing new policies in Georgia in 2003. All physicians were faced with paying higher premiums or exercising strategies to lower premium costs (e.g., decrease their level of coverage; drop coverage altogether; and/or stop providing certain services such as emergency room coverage, high-risk procedures, etc.).

Changed Insurance Carriers During Last 12 Months



Trends in Medical Malpractice Premiums For Georgia Physicians Over the Last 12 Months



**Nearly 80%** of survey respondents indicated their malpractice **premiums Moderately to Significantly Increased** during the last 12 months.

### OTHER CONSIDERATIONS

- Georgia is heavily dependent on other states to train physicians. High costs of professional liability insurance may reduce the attractiveness of Georgia as a location for medical practice.
- A new AMA survey of 4,000 students found that the medical liability crisis is causing future doctors to seriously consider whether they want to practice a high-risk specialty or apply for a residency in one of the 19 states currently in crisis. (Georgia has been identified by the AMA as a crisis state.) *Source: American Medical Association Division of Market Research and Analysis. November 2003.*
- High professional liability insurance costs are a significant financial problem for teaching hospitals, reducing the already limited funding available for faculty, residents, and other medical education costs.

For further details on the study, please contact the GBPW at 404.206.5420 or 1718 Peachtree Street, NW, Suite 683, Atlanta, Georgia, 30309.